97-84038-28

Hawes, W. Gerald

United States shipping after the war

[Orange, N.J.]

[1918]

97-84038-28
MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

308
Z Box 68
Hawes, W Gerald,
United States shipping after the war; address by ... W. Gerald Hawes... before the New England society of Orange, N. J., November 25, 1918.
[4] p. 24cm.

Caption title.

RESTRICTIONS ON USE: *Reproductions may not be made without permission from Columbia University Libraries.*

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm REDUCTION RATIO: 12:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 3-5-97 INITIALS: MS

TRACKING # : 21617

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

UNITED STATES SHIPPING AFTER THE WAR

Address by Capt. W. Gerald Hawes, Chairman Sub-Committee Brooklyn Rotary Shipping Committee, United States Shipping Board, Before the New England Society of Orange, N. J., November 25, 1918

GENTLEMEN:

While all of us no doubt are acquainted with the present shipping program of America, I believe there are many vital facts that each and all of us should know in this connection.

For your information I will take the liberty of calling your attention to the following facts:

Directly after the war of the Revolution, our merchant marine forged ahead very rapidly; in fact, our flag was seen in all of the world's great ports. Prior to the war of 1812 we lost a large part of our shipping through the arbitrary policy of Great Britain. This was offset during the few years following that period by an increase, until about 1860. The real decadence of American shipping began at that time and was primarily caused by a scarcity of labor during the war, and after the war by the fact that America's industrial progress was so tremendous that our seamen found better terms at home than by sailing the high seas.

This being the fact, naturally Great Britain's maritime importance increased with many of the other European nations following in her wake, thus crowding America out of those essentials to commercial success.

It is a surprising fact that prior to the war America controlled only about 3,000,000 tons of the world's maritime tonnage, of which 2,000,000 tons was with coastwise trade, leaving but 1,000,000 tons for interocean traffic and a greater part of which was under foreign control.

These figures show that our maritime standing was almost negligible. The pre-war tonnage of Great Britain was approximately 25,000,000 tons, which with a forty per cent. decrease through submarine destruction, however, materially lessens Great Britain's present maritime status.

With the 3,000,000 tons of shipping owned by the United States at the beginning of the war, plus approximately 3,000,000 more tons which we have added by construction since the war began, we have a tonnage of 6,000,000. The present rate of construction, which is on an average of 350,000 tons per month, with a commensurate increase each succeeding month, means that within the next few years America will have a merchant marine fleet of 25,000,000 tons, thus giving her the lead in the world's shipping.

Of course, you gentlemen might advance any number of theories or questions as to how this merchant marine is to be maintained successfully. Let me tell you right now that this is not the time for any debate as to its feasibility or as to the competition of America with foreign nations. The main fact before us is that we will have this glorious asset of a merchant marine of 25,000;000 tons, and it is up to us not only to maintain it, but to support it in keeping with the principles of America's best traditions.

Of course, the matter of America's merchant marine must and will be given the most serious consideration, as well as the questions as to the enactment of subsidies and the repeal of certain provisions detrimental to the success of any merchant marine, namely some of those contained in the so-called La Follette law.

No doubt you gentlemen will be interested not only in the type of vessels, but in their cost of construction.

Previous to the war, we were able to construct boats on the Great Lakes of the fabricated type, for approximately $30.00 per ton, against Great Britain's $45.00, while on the Atlantic seaboard the cost ran anywhere from $70.00 to $75.00 per ton. How can this best be explained? Well, I think I can say that on the Great Lakes they constructed standardized ships, similar to the plan carried out by Great Britain, while on the seaboard we constructed them in a haphazard and indifferent way, which naturally added tremendously to the cost. Many facts presented, however, show that if we can construct them on the Great Lakes at a saving of $15.00 per ton over Great Britain's cost, we can do the same on the seaboard, if the same principles of construction are carried out.

Again the question is advanced as to our present cost of construction which approximates anywhere from $200.00 to $300.00 per ton. How can we compare this to the foreign cost? In this connection it must be realized that the foreign builders have the same labor problems as we have, with the added cost of raw materials and finished products which it is necessary for them to secure from this country. Of course, one will readily grant that this condition as to foreign labor and high cost will not exist within a reasonable period after the war, and that abroad they no doubt will be cutting down the cost of construction tremendously. Now, this is the point where America must realize, first, that the creation of this great merchant marine of ours has been due to the war, and secondly that, in order to properly base our returns on the investment, we must charge off this cost as a war measure, thus putting, in the final summing up, the valuation of our shipping close to that of the foreign cost.

Again, assuming that the investment of our merchant marine will be equalized to that of the cost of any of the foreign shipping costs, how do we plan for competition in cost of operation and maintenance? We know that the labor costs of the European nations will always be much lower than ours. For instance, take the fact that the Japanese feed their crews for about 17 cents to 21 cents per day, and the Danes for about 34 cents, with higher increases for the Anglo-Saxon crews. Of course, America will never stand for the lowering of her labor conditions, and particularly so as this is a democracy for the good of all concerned, and I see no reason why the same principles for advancement and high class labor cannot be applied to our maritime activities.

There are, however, many unjust provisions in the La Follette law, the continued enforcement of which will never permit of the success of our merchant marine. These provisions must be speedily repealed, and their repeal I know will have the endorsement of every fair-minded citizen.

Another problem which must have our serious consideration is that of subsidies. Heretofore the American public has had a very vague idea as to the plan and scope of subsidizing the merchant marine, and it has in this way proven a very pretty game for the different political parties to toss back and forth. However, when we all begin to realize the tremendous possibilities of a merchant marine and to know that through the enactment of proper subsidies we can maintain our commercial prestige throughout the world, it will be readily seen that there will be little objection from any.

It also must be remembered that with our present co-ordination of various government and commercial channels for the promotion of trade activities, we are going to effect a great many economies. For instance, by the proper co-ordination of the railroads with the ports as transfer points to the steamships, we put upon the word "despatch" all that it implies, for the carrying of commerce. Again, through the co-operation of port officials with the Government, we secure without all the former bickering, the necessary improvements of harbors and waterways.

When you add to the foregoing the fact that the different ports are now taking cognizance of the necessary essentials, by the construction of new terminals, adequate docks and marginal railways, we have the whole question as a unit working toward the continued success of our commerce.

There are also a few other essentials whereby we will undoubtedly effect great economies, and which would reduce the subsidies to almost a minimum, and that is by improved facilities for loading and unloading, so that the duration in port of large ships will be but a few days instead of weeks, as formerly.

Again, through the agency of competent crews and officers, we

6 March, 1920 - E.R.W.

shall bring the efficiency of the boats to the highest standard as regards the proper and economical cost of operation of the vessels when on the high seas.

Another great factor in the owning and operating of our merchant marine will be that if many of these are of the combined passenger and cargo type, we will be carrying our merchants to foreign shores, and those of other countries to our shores, which in itself will not only mean the fostering, but the cementing of the best trade relations between America and the rest of the world.

Again, through manning our ships with American crews, we shall be acquainting all foreign nations with our great possibilities as to supplying their demands, besides giving them an insight into our modern and progressive way of doing business. Our crews and officers will bring back to us not only customs, but the requirements of the foreign trade, which will be very helpful in filling orders as they are wanted and shipping them along such lines as desired by our customers.

You will readily note that these advantages will compensate for any subsidy allowances we may make, and when you add furthermore the saving of foreign commissions, insurance rates, freight costs and banking exchange, you will see that an adequate merchant marine is absolutely necessary to the maintaining of America's commercial supremacy.

Of course, there are many problems as to the dispatch of our ships, the creating of trade routes and regular sailing zones, all of which must be worked out so as to enable both our interests as well as those in foreign fields to depend with a certainty upon getting their products through certain channels and at certain times.

Again, in certain ports where the exchange of products is about equal, we could arrange a direct route there and back. In other foreign fields where we export largely and import practically a small amount, we could create at these points the triangular plan of shipping, which has so successfully worked out for the commerce of Great Britain and Germany.

Lastly, there must also be some great factor in co-ordinating, facilitating and furthering this great commercial activity, and I know of no better way, which has already had the commendation of many authorities, and that is to have a Director of Commerce at each port who will be directly under the Secretary of Commerce at Washington. The activities of these Directors, in close co-operation with those of our merchants will enable us, for the first time in our history, to work in close harmony, intelligently and without local jealousies, so that they all operate as one unit for the perpetual maintenance of our commercial ideals.

MSH 21617

END OF
TITLE